

REGULATORY OVERVIEW

OVERVIEW

Our business in the PRC is subject to extensive supervision and regulatory control by the PRC government. This section sets out a summary of the principal relevant laws, regulations, rules and policies which may have a material impact on our business.

APPLICABLE LAWS AND REGULATIONS TO OUR BUSINESS IN THE PRC

Regulations on Company Establishment

The Company Law of the PRC (《中華人民共和國公司法》), promulgated by the Standing Committee of the National People’s Congress (“SCNPC”) on December 29, 1993, last amended on December 29, 2023 and came into effect on July 1, 2024, governs the establishment, operation and management of companies in the PRC, including foreign-invested companies. Unless foreign investment laws provide otherwise, foreign invested companies shall abide by the Company Law of the PRC.

Cleaner Production Promotion Law of the PRC

According to the Cleaner Production Promotion Law of the PRC (《中華人民共和國清潔生產促進法》) promulgated by the Standing Committee of the National People’s Congress (the “SCNPC”) on June 29, 2002, and subsequently amended on February 29, 2012 and implemented from July 1, 2012, the State encourages and promotes cleaner production. Where economic and technological conditions permit, enterprises shall independently recycle the waste, waste heat, and other waste generated in their production and provision of services or transfer such waste to other qualified enterprises and individuals for recycling. The enterprises that make products with waste or reclaim raw materials from waste shall enjoy the preferential tax treatment according to the relevant provisions of the State.

Circular Economy Promotion Law of the PRC

According to the Circular Economy Promotion Law of the PRC (《中華人民共和國循環經濟促進法》) promulgated by the SCNPC on August 29, 2008, effective from January 1, 2009, and last amended on October 26, 2018, the State encourages and promotes the construction of a waste recycling system. It also encourages enterprises in various industrial parks to engage in waste exchange and utilization and second-life energy use. The dismantling or recycling of specific products such as waste electrical and electronic products, scrapped motor vehicles and vessels, waste tires, and waste lead-acid batteries, shall comply with the provisions of relevant laws and administrative regulations. Recycled electric and electronic products that have to be dismantled and recycled shall be sold to qualified dismantling enterprises. In the process of re-utilizing and recycling wastes, production safety shall be guaranteed so as to ensure that product quality satisfy the state standards and prevent the secondary pollution.

Administrative Measures for Renewable Resource Recovery

According to the Administrative Measures for the Recovery of Renewable Resources (《再生資源回收管理辦法》), jointly issued on March 27, 2007 and took effect on May 1, 2007 and was last amended on November 30, 2019 by the Ministry of Commerce of the PRC, the National Development and Reform Commission of the PRC, the Ministry of Public Security of the PRC, the Ministry of Housing and Urban-Rural Development of the PRC, the State Administration for Industry and Commerce of the PRC (now the State Administration for Market Regulation), and the State Environmental Protection

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Administration of the PRC (now the Ministry of Ecology and Environment of the PRC), whoever is to engage in business activities relating to the recovery of renewable resources may not engage in such business activities until it has satisfied the registration conditions under the industrial and commercial administration and completed industrial and commercial registration. The recordation items for renewable resources recovery operators shall be integrated into the business licenses, and market regulatory departments shall, after confirming the industrial and commercial registration, share the enterprise information to all relevant departments through the provincial sharing platforms. Recycling enterprises for industrial waste metals and operators for non-industrial waste metals shall also file with the local public security authorities of the county-level people’s government within 15 days after obtaining their business licenses. When any of the items specified in the preceding paragraph undergoes modification, the listed recyclers of renewable resources shall complete the change procedures with the public security authorities of the county-level people’s government within 15 days from the date of modification (or within 15 days from the date of modification for items under industrial and commercial registration).

Interim Measures for the Recycling and Comprehensive Utilization of Waste Power Batteries of New Energy Vehicles

According to the Interim Measures for the Recycling and Comprehensive Utilization of Waste Power Batteries of New Energy Vehicles (《新能源汽车廢舊動力電池回收和綜合利用管理暫行辦法》, the “**Interim Measures**”) promulgated by the Ministry of Industry and Information Technology (the “**MIIT**”), the National Development and Reform Commission (the “**NDRC**”), the Ministry of Ecology and Environment (the “**MEE**”), the Ministry of Transport (the “**MOT**”), the Ministry of Commerce (the “**MOFCOM**”), and the State Administration for Market Regulation (the “**SAMR**”) on December 31, 2025, and took effect on April 1, 2026, which aims to strengthen the management of the recycling and comprehensive utilization of waste power batteries, promote resource recycling, and protect and improve the environment, the State establishes and improves the standard system for the comprehensive utilization of waste power batteries, and supports the demonstration, promotion, and application of new technologies, new processes, and new equipment for the comprehensive utilization of waste power batteries. Upon the effectiveness of the Interim Measures, the Interim Measures for the Interim Measures for the Administration of Recycling and Utilization of Power Batteries for New Energy Vehicles (《新能源汽车動力蓄電池回收利用管理暫行辦法》), the Interim Provisions on Traceability Management of Recycling and Utilization of Power Batteries for New Energy Vehicles (《新能源汽车動力蓄電池回收利用溯源管理暫行規定》), the Guidelines for the Construction and Operation of Recycling Service Outlets for Power Batteries of New Energy Vehicles (《新能源汽车動力蓄電池回收服務網點建設和運營指南》) and the Administrative Measures for Cascade Utilization of Power Batteries of New Energy Vehicles (《新能源汽车動力蓄電池梯次利用管理辦法》) were simultaneously abolished.

LAWS AND REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION

Environmental Protection Law of the PRC

According to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) (the “**Environmental Protection Law**”) promulgated by the SCNPC on December 26, 1989, and latest amended on April 24, 2014, the pollution prevention and installations included in a construction project shall be designed, constructed and put to use simultaneously with the body of the construction project. Such installations shall satisfy the requirements of the approved environmental impact assessment

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document, and may not be dismantled or left unused without permission. Enterprises, public institutions, and other businesses subject to pollutant discharge licensing management shall discharge pollutants according to the requirements of their respective pollutant discharge licenses; and those without a pollutant discharge license may not discharge pollutants.

Law of the PRC on Environmental Impact Assessment

Pursuant to the Law of the PRC on Environmental Impact Assessment (《中華人民共和國環境影響評價法》) promulgated on October 28, 2002, and latest amended on December 29, 2018, the State implements a classification-based management on the environmental impact assessment of construction projects according to the impact of the construction projects on the environment. Construction units shall prepare the Environmental Impact Report or the Environmental Impact Statement or fill out the Environmental Impact Registration Form.

Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste

In accordance with the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》) promulgated by the SCNPC on October 30, 1995, and latest amended on April 29, 2020, the State promotes green development methods and fosters clean production and the development of a circular economy. Units and individuals that generate, collect, store, transport, utilize, and dispose of solid waste shall take measures to prevent or reduce environmental pollution caused by solid waste and bear legal responsibility for environmental pollution they cause. The State establishes an extended producer responsibility system for products such as electrical and electronic appliances, lead-acid batteries, and vehicle power batteries. Producers of these products shall, in accordance with regulations, establish a recycling system for waste products that matches their product sales volume either through self-built or entrusted means, and make such information public to achieve effective recycling and utilization.

Law of the PRC on the Prevention and Control of Water Pollution

According to the Law of the PRC on the Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》) promulgated by the SCNPC on May 11, 1984, and latest amended on June 27, 2017, construction, renovation and expansion projects and other upper-water facilities that directly or indirectly discharge pollutants to water are subject to environmental impact assessment. In addition, water pollution prevention facilities are required to be designed, constructed and put into operation simultaneously with the main part of the project. From January 1, 2018, water pollution prevention facilities are required to be complied with the requirements in the environmental impact report approved by and filed with the competent authorities.

Law of the PRC on the Prevention and Control of Atmospheric Pollution

According to the Law of the PRC on the Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》) promulgated by the SCNPC on September 5, 1987, and latest amended on October 26, 2018, construction, renovation and expansion projects which discharge air pollutants shall comply with regulations regarding environmental protection of construction projects. The environmental impact assessment report regarding a construction project, which is subject to the approval of the environmental protection administrative authorities, shall include an assessment of the air pollution the project is likely to produce and its potential impact on the ecological environment. Construction projects

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that have an impact on the atmospheric environment shall conduct environmental impact assessment, and that discharge of pollutants to the atmosphere shall conform to the atmospheric pollutant discharge standards and abide by the total quantity control requirements for the discharge of key atmospheric pollutants.

Law of the PRC on Noise Pollution Prevention and Control

In accordance with the Law of the PRC on Noise Pollution Prevention and Control (《中華人民共和國噪聲污染防治法》) promulgated by the SCNPC on December 24, 2021, and taking effect on June 5, 2022, the facilities for the prevention and control of noise pollution of a construction project shall be designed, constructed and put into use simultaneously with the main body of the project. Before a construction project is put into production or use, the construction entity shall, in accordance with the provisions of relevant laws and regulations, conduct the acceptance of the supporting facilities for noise pollution prevention and control, work out the acceptance report, and release it to the public. The construction project may not be put into production or use before its acceptance is carried out or if it fails to pass its acceptance.

Measures for the Administration of Pollutant Discharge Licenses

In accordance with the Measures for the Administration of Pollutant Discharge Licenses (《排污許可管理辦法》) promulgated by the MEE on April 1, 2024, and taking effect on July 1, 2024, enterprises subject to pollutant discharge license management are required to apply for and obtain the Pollutant Discharge License pursuant to the law and discharge pollutants according to the provisions of the Pollutant Discharge License, and shall not discharge pollutants without the pollutant discharge license. Enterprises that need to fill in the pollutant discharge registration form shall register the pollutant discharge on the National Pollutant Discharge License Management Information Platform.

LAWS AND REGULATIONS RELATING TO HAZARDOUS CHEMICALS

Measures for the Administration of Registration of Hazardous Chemicals

According to the Measures for the Administration of Registration of Hazardous Chemicals (《危險化學品登記管理辦法》) promulgated by the former State Administration of Work Safety (now the MEM) on October 8, 2002, and latest amended on July 1, 2012, China implements a hazardous chemicals registration system. The MEM is responsible for the supervision and management of hazardous chemicals registration. New hazardous chemicals production enterprises shall go through the hazardous chemicals registration process before the completion and acceptance inspection. The validity period of the hazardous chemicals registration certificate is 3 years. The original and duplicate copies of the hazardous chemicals registration certificate shall indicate the certificate serial number, enterprise name, registered address, nature of the enterprise, type of registration, validity period, issuing authority, and date of issuance. It should be noted under the nature of the registered enterprise whether the enterprise is a hazardous chemicals production enterprise, a hazardous chemicals import enterprise, or both.

Regulations on Safety Management of Hazardous Chemicals

Pursuant to the Regulations on Safety Management of Hazardous Chemicals (《危險化學品安全管理條例》) promulgated by the State Council on January 26, 2002, taking effect on March 15, 2002, and latest amended on December 7, 2013, hazardous chemicals include hyper-toxic and other hazardous

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chemicals that are toxic, corrosive, explosive, flammable or combustion-supporting, which are dangerous to the human body, facilities and environment. The relevant government authorities will promulgate and adjust the Catalogs of Hazardous Chemicals from time to time. An enterprise which engages in the production of hazardous chemicals must obtain the Safety Production Permit for Hazardous Chemicals prior to the commencement of production. An enterprise producing hazardous chemicals listed in the Catalog of the Industrial Products that are subject to the production licensing system shall obtain the Production License for Industrial Products pursuant to the Regulations of the PRC for the Administration of Production Licenses for Industrial Products (《中華人民共和國工業產品生產許可證管理條例》).

The safety conditions of newly built, altered or expanded construction projects for the production and storage of hazardous chemicals are subject to the scrutiny of the work safety administrative department. In the event that the enterprise undertaking such construction projects fails to meet the safety conditions, the relevant work safety administrative department shall order such enterprise to cease operation and rectify within the specified period.

The State implemented a licensing system for the operation of hazardous chemicals (including warehousing). No entity or individual may deal in hazardous chemicals without such licensing. If an enterprise engaging in the production of hazardous chemicals which is established according to the laws sells hazardous chemicals it produces in the factory, the Operation Permit for Hazardous Chemicals is not required. If a chemical enterprise uses hazardous chemicals for production and the quantities reach the prescribed threshold, the enterprise shall obtain the Permits for the Safe Use of Hazardous Chemicals pursuant to the Regulations on Safety Management of Hazardous Chemicals (《危險化學品安全管理條例》), save for those enterprises engaging in the production of hazardous chemicals. An enterprise which engages in road transportation of hazardous chemicals should comply with provisions of laws and administrative regulations on road transport, obtain the license for road transportation of hazardous chemicals, and proceed with registration procedures with the administrative department of industry and commerce. An enterprise engaging in road transportation of hazardous chemicals should be equipped with full-time safety management personnel.

Measures for Implementation of Safety Production Permit of Hazardous Chemicals Production Enterprises

According to the Measures for Implementation of Safety Production Permit of Hazardous Chemicals Production Enterprises (《危險化學品生產企業安全生產許可證實施辦法》) promulgated by the former State Administration of Work Safety (now the MEM) on August 5, 2011, and latest amended on March 6, 2017, a hazardous chemicals production enterprise refers to an enterprise that is legally established and has obtained a business license or a business approval document to engage in the production of final products or intermediate products listed in the Hazardous Chemicals Directory. Hazardous chemicals production enterprises shall obtain a work safety license. Any enterprise that has not obtained a work safety license shall not engage in any related production activities.

Measures for the Safety Supervision and Administration of Construction Projects Involving Hazardous Chemicals

According to the Measures for the Safety Supervision and Administration of Construction Projects Involving Hazardous Chemicals (《危險化學品建設項目安全監督管理辦法》) promulgated by the former State Administration of Work Safety (now the MEM) on January 30, 2012, and latest amended on May

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27, 2015, new construction, alternation, and expansion of construction projects for the production and storage of dangerous chemicals, as well as chemical construction projects that involve the generation of dangerous chemicals (including the construction projects for long-distance transmission pipelines of dangerous chemicals), shall undergo safety reviews, i.e. reviews of safety conditions and designs of safety facilities. Construction projects that have not undergone safety reviews and the completion acceptance of safety facilities shall not commence construction or be put into production (or use).

LAWS AND REGULATIONS RELATING TO WORK SAFETY

Work Safety Law of the PRC

Pursuant to the Work Safety Law of the PRC (《中華人民共和國安全生產法》), the “**Work Safety Law**”) promulgated by the SCNPC on June 29, 2002, and latest amended on June 10, 2021, entities engaged in production and business activities within the PRC shall comply with the Work Safety Law and other laws and regulations related to production safety, strengthen production safety management. Entities shall establish and improve a production safety responsibility system and production safety rules, increase efforts to guarantee the input of funds, materials, technology, and personnel in production safety, improve production safety conditions, and strengthen the standardization of production safety, raise production safety levels, and ensure production safety.

Regulations on Work Safety Licenses

Pursuant to the Regulations on Work Safety Licenses (《安全生產許可證條例》) issued by the State Council on January 13, 2004, and latest amended on July 29, 2014, the State applies a work safety licensing system to enterprises engaged in mining, construction and production of hazardous chemicals, fireworks and firecrackers, and civil explosives. Without work safety licenses, the aforementioned enterprises shall not engage in production activities.

LAWS RELATING TO PRODUCT LIABILITY

The Product Quality Law of the PRC (《中華人民共和國產品質量法》) (the “**Product Quality Law**”), promulgated by the SCNPC on February 22, 1993 and latest amended on December 29, 2018, the seller assumes responsibility for the repair, replacement, or return of the sold product under the following circumstances: (i) the product lacks the essential properties for its intended use without prior clear indication; (ii) the product does not meet the stated standards displayed on the product or its packaging; or (iii) the product does not match the quality as described in the product information or physical sample. In cases where a consumer incurs losses due to the purchased product, the seller is obligated to compensate for these losses. Under the Civil Code of the PRC (《中華人民共和國民法典》) (the “**Civil Code**”), promulgated by the National People’s Congress of the PRC on May 28, 2020, and became effective on January 1, 2021, manufacturers and commercial sellers bear liability for physical injury or property loss resulting from product defects. The affected party has the right to seek compensation from either the manufacturer or the commercial seller.

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LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY PROTECTIONS

Patents

Pursuant to the Patent Law of the PRC (《中華人民共和國專利法》), latest amended on October 17, 2020, and taking effect from June 1, 2021, patents in China fall into three categories: invention, utility model and design. Under the currently effective PRC Patent Law, the term of patent protection starts from the date of application. Patents relating to invention, utility model and design are effective for twenty, ten and fifteen years from the date of application, respectively. The PRC Patent Law adopts the principle of “first-to-file” system, which provides that where more than one person files a patent application for the same invention, a patent will be granted to the person who first files the application.

Trademarks

Pursuant to the Trademark Law of the PRC (《中華人民共和國商標法》) promulgated by the SCNPC on August 23, 1982, latest amended on April 23, 2019, and effective from November 1, 2019, and the Implementation Regulation of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) promulgated by the State Council on August 3, 2002, later amended on April 29, 2014 and effective from May 1, 2014, registered trademarks are granted a term of ten years which may be renewed for consecutive ten-year periods upon request by the trademark owner.

Copyright

Pursuant to the Copyright Law of the PRC (《中華人民共和國著作權法》), effective on June 1, 1991 and latest amended on November 11, 2020, copyrights include personal rights such as the right of publication and that of attribution as well as property rights such as the rights of production and distribution. Reproducing, distributing, performing, projecting, broadcasting or compiling a work or communicating the same to the public via an information network without permission from the owner of the copyright therein, unless otherwise provided in the Copyright Law of the PRC, constitutes infringements of copyrights. The infringer must, according to the circumstances of the case, undertake to cease the infringement, take remedial action, and offer an apology or pay damages.

Domain Names

The Ministry of Industry and Information Technology (the “MIIT”) promulgated the Administrative Measures on the Internet Domain Names (《互聯網域名管理辦法》) on August 24, 2017 and China Internet Network Information Center promulgated the Implementing Rules of China ccTLD Registration (《國家頂級域名註冊實施細則》) on June 18, 2019. The MIIT is the main regulatory authority responsible for the administration of Internet domain names in the PRC. Domain name registrations are handled through domain name service agencies established under the relevant regulations, and the applicants become domain name holders upon successful registration.

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LAWS AND REGULATIONS RELATING TO EMPLOYMENT, SOCIAL SECURITY AND HOUSING PROVIDENT FUNDS

Labor Law, Labor Contract Law, and its Implementation Regulations

Pursuant to the Labor Law of the PRC (《中華人民共和國勞動法》) (the “**Labor Law**”) promulgated by the SCNPC on July 5, 1994 and latest amended on December 29, 2018 and the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) (the “**Labor Contract Law**”) promulgated by the SCNPC on June 29, 2007 and latest amended on December 28, 2012, and the Implementation Regulations of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) promulgated by the State Council on September 18, 2008 and took effect on the same date, employers shall execute written labor contracts with full-time employees. All employers shall comply with local minimum wage standards. Employers shall establish a comprehensive management system to protect the rights of their employees, including a system governing occupational health and safety to provide employees with occupational training to prevent occupational injury, and employers are also required to truthfully inform prospective employees of the job description, working conditions, location, occupational hazards and status of safe production, as well as remuneration and other conditions. Serious violations of the Labor Contract Law and the Labor Law may result in the imposition of fines and other administrative and criminal liabilities.

Regulations on Social Insurance and Housing Provident Funds

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) promulgated by the SCNPC on October 28, 2010 and latest amended on December 29, 2018, the Interim Regulations on the Collection and Payment of Social Security Funds (《社會保險費徵繳暫行條例》) promulgated by the State Council on January 22, 1999 and latest amended on March 24, 2019, and the Regulations on the Administration of Housing Provident Funds (《住房公積金管理條例》) promulgated by the State Council on April 3, 1999 and latest amended on March 24, 2019, employers like our subsidiaries in the PRC shall provide employees with welfare schemes covering basic pension insurance, unemployment insurance, maternity insurance, work-related injury insurance, medical insurance and housing provident funds. Employers are required to make payments to the local administrative authorities, and if they fail to make such payments, the local administrative authorities shall order them to pay or make up the shortfall within a specified time limit and impose a late fee. If such payments are still not made by the deadline, a fine shall be imposed by the relevant administrative departments.

Pursuant to the Interpretation II of the Supreme People’s Court on Several Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), which took effect on September 1, 2025, any agreement between an employer and an employee or any commitment made by an employee to the employer stating that social insurance premiums need not be paid shall be deemed invalid by the people’s court. If an employer fails to pay social insurance premiums in accordance with the law, and the employee requests to terminate the labor contract and claims economic compensation pursuant to Article 38 Paragraph 3 of the Labor Contract Law, the people’s court shall support such claims in accordance with the law. In the circumstances described in the preceding paragraph, if the employer subsequently pays the social insurance premiums in accordance with the law and requests the employee to return the compensation already paid for the social insurance premiums, the people’s court shall support such requests in accordance with the law.

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LAWS AND REGULATIONS RELATING TO CONSTRUCTION AND REAL ESTATE

Approval of or Filing for Projects

Pursuant to the Regulations on the Administration of Approval and Filing of Enterprise Investment Projects (《企業投資項目核准和備案管理條例》) promulgated by the State Council and effective on February 1, 2017, fixed asset investment projects related to national security, layout of major production capacity across the country, strategic resources development and major public interests, etc. shall be subject to administration by approval. Projects other than those prescribed above shall be subject to administration by filing.

Inspection and Acceptance of Environmental Protection Facilities

According to the Regulations on Environmental Protection Management for Construction Projects (《建設項目環境保護管理條例》) latest amended by the State Council on July 16, 2017, after the completion of the construction of a construction project for which an Environmental Impact Report or an Environmental Impact Statement has been drawn up, the construction unit shall, in accordance with the standards and procedures prescribed by the competent administrative department of environmental protection under the State Council, conduct an inspection and acceptance of the matching environmental protection facilities and prepare an inspection and acceptance report. The Interim Measures for Inspection and Acceptance of Environmental Protection upon Completion of Construction Projects (《建設項目竣工環境保護驗收暫行辦法》), which was promulgated by the former MEP on November 20, 2017 and became effective on the same date, regulate the specific procedures and standards for environmental protection inspection and acceptance by construction entities independently upon the completion of construction projects.

Construction Permits

According to the Construction Law of the PRC (《中華人民共和國建築法》) latest amended on April 23, 2019 and the Measures for the Administration of Construction Permits for Construction Projects (《建築工程施工許可管理辦法》) latest amended on March 30, 2021, for the construction, renovation and decoration of all kinds of buildings and the auxiliary facilities thereof, the installation of supporting lines, pipes and equipment, and the construction of municipal infrastructure projects in cities and towns, the construction entity shall, prior to starting the construction, apply to the housing and urban-rural development administrative department of the people’s government at or above the county level where the project is located for a construction permit. For a construction project of which investment is less than RMB300,000 or construction area is less than 300 square meters, the construction entity may be allowed not to apply for a construction permit.

Fire Protection Design Approval and Filing

The Fire Prevention Law of the PRC (《中華人民共和國消防法》) (the “**Fire Prevention Law**”) was adopted on April 29, 1998 and latest amended on April 29, 2021. The Fire Prevention Law provides that the fire prevention design and construction of a construction project must conform to the national fire prevention technical standards. The developer, designer, constructors and project supervisor shall be responsible for the quality of the fire prevention design and construction for the construction work

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according to the relevant laws. For a construction project which requires a fire prevention design under the national fire protection technical standards, a construction project fire protection design review and acceptance system shall be implemented.

According to the Fire Prevention Law and the Interim Provisions on Design Inspection and Acceptance of Fire Protection of Construction Works (《建設工程消防設計審查驗收管理暫行規定》) (the “**Interim Provisions on Fire Protection**”) promulgated by the Ministry of Housing and Urban-Rural Development of the PRC on April 1, 2020 and latest amended on August 21, 2023, the special construction works stipulated in the Interim Provisions on Fire Protection shall be subject to fire protection design review before the construction and shall be subject to fire protection inspection before put into use. Other construction works other than special construction works are required to file for fire protection inspection and acceptance and be subject to random fire protection inspection and acceptance by the competent authority of housing and urban-rural construction. If a project fails to pass the random fire protection inspection and acceptance, the project shall cease to be in use.

Completion Inspection and Acceptance

According to the Construction Law of the PRC (《中華人民共和國建築法》) and the Regulations on the Administration of Construction Project Quality (《建設工程質量管理條例》), the construction unit shall, after it receives the report of construction completion of its project, organize the units involved in the design, construction and engineering supervision to carry out the completion inspection and acceptance, and the construction works shall only be delivered for use upon passing the inspection and acceptance.

Regulations on Real Estates

Pursuant to the Land Administration Law of the PRC (《中華人民共和國土地管理法》) promulgated by the SCNPC on June 25, 1986, and latest amended on August 26, 2019, the PRC applies a system of control over the purposes of use of land, including land for agriculture, land for construction and unused land. All units and individuals shall use land in strict compliance with the purposes of use defined in the overall plans for land utilization. Registration of ownership and right to the use of land shall be governed by the laws and administrative regulations relating to real estate registration. The legally registered ownership and right to the use of land shall be protected by the law and may not be infringed upon by any entities or individuals.

Pursuant to Law of the PRC on the Administration of the Urban Real Estate (《中華人民共和國城市房地產管理法》) promulgated by the SCNPC on July 5, 1994 and latest amended on August 26, 2019, the PRC practices a system of registration and certification for land-use right and ownership of houses. Where a house has been built on the land for real estate development obtained pursuant to the law, an application for registration shall, on the strength of the certificate of land-use right, be submitted to the department of housing administration under the local people’s government at or above the county level. The department of housing administration under the local people’s government at or above the country level shall issue a housing ownership certificate after verification.

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Regulations on Leasing

According to the Civil Code, an owner of immovable or movable property is entitled to possession, use, earnings, and disposal of such property in accordance with the law. Subject to the consent of the lessor, the lessee may sublease the leased premises to a third party. Where a lessee subleases the premises, the lease contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the lease if the lessee subleases the premises without the consent of the lessor. In addition, if the ownership of the leased premises changes during the lessee’s possession in accordance with the terms of the lease contract, the validity of the lease contract shall not be affected. Moreover, pursuant to the Civil Code, if the mortgaged property has been leased and transferred for occupation prior to the establishment of the mortgage right, the original tenancy shall not be affected by such mortgage right.

On December 1, 2010, the Ministry of Housing and Urban-Rural Development promulgated the Administrative Measures on Leasing of Commodity Housing (《商品房屋租賃管理辦法》), which became effective on February 1, 2011. According to such measures, the lessor and the lessee are required to complete property leasing registration and filing formalities within 30 days from execution of the property lease contract with the development authorities or real estate authorities of the municipality or county where the leased property is located. If a company fails to do as aforesaid, it may be ordered to rectify within a stipulated period, and if such company fails to rectify, a fine ranging from RMB1,000 to RMB10,000 may be imposed on each lease agreement.

LAWS AND REGULATIONS RELATING TO FOREIGN INVESTMENT

Pursuant to the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》), the Regulation for Implementing the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) and Measures on Reporting of Foreign Investment Information (《外商投資信息報告辦法》), which became effective on January 1, 2020, the State Council establishes a foreign investment information report system. Foreign investors or foreign — funded enterprises shall submit investment information to the competent department for commerce concerned through the enterprise registration system and the enterprise credit information publicity system. The contents and scope of foreign investment information report shall be determined under the principle of necessity.

Foreign investment in the PRC is subject to the Catalogue of Industries for Encouraging Foreign Investment (2025 edition) (《鼓勵外商投資產業目錄(2025年版)》), amended on December 15, 2025 and effective since February 1, 2026 and the Special Administrative Measures for Foreign Investment Access (Negative List) (2024 edition) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “**Negative List**”), amended on September 6, 2024 and effective since November 1, 2024, both of which issued by the National Development and Reform Commission and the MOFCOM. According to the Negative List, foreign investors shall not make investments in prohibited industries as specified in the Negative List, while foreign investments must satisfy certain conditions stipulated in the Negative List for investment in restricted industries. Industries not listed in the Negative List are generally deemed “permitted” for foreign investments.

REGULATORY OVERVIEW

OVERSEAS LISTING REGULATIONS

The CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “**Overseas Listing Trial Measures**”) together with five supporting guidelines (together with the Overseas Listing Trial Measures, collectively referred to as the “**Overseas Listing Regulations**”) on February 17, 2023. Under Overseas Listing Regulations, PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to file the required documents with the CSRC within three working days after its application for overseas listing is submitted.

On February 24, 2023, the CSRC and other relevant government authorities promulgated the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the “**Archives Rules**”), which became effective from March 31, 2023. Pursuant to the Archives Rules, where a domestic enterprise provides or publicly discloses any document or material that involving state secrets and working secrets of state agencies to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, it shall report to the competent department with the examination and approval authority for approval in accordance with the law, and submit to the secrecy administration department of the same level for filing. The working papers formed within the territory of the PRC by the securities companies and securities service agencies that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of the PRC, and cross-border transfer shall go through the examination and approval formalities in accordance with the relevant provisions of the State.